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SUBJECT: BELARUS WEEKLY POL/ECON REPORT - AUGUST 21, 2009

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¶1. The following are brief items of interest compiled by
Embassy Minsk.

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Civil Society

¶2. Yuri Leonov Attributes His Release to High Attention of
Media and Foreign Embassies

Yury Leonov, one of the three Volkovysk activists arrested in February 2009, commented August 19 on his release from a pre-trial detention center. He attributed his release to the "practical completion" of the investigation into his case. He also linked his release to the high level of attention paid to his case by the media, along with EU and U.S. embassies. Leonov dismissed all accusations against him, Nikolai Avtukhovich and Vlarimir Osipenko as absurd and groundless but did not elaborate as he had signed a non-disclosure agreement. He faulted the

Belarusian Court system and law enforcement agencies for failure to abide by the provisions of international law, lack of independence and disregard for citizens' rights. He urged Belarusian entrepreneurs to speak up, unite and fight for their rights. Raisa Mikhailovskaya, Head of the Human Rights Center, informed that Belarusian Human Rights defenders plan to appeal to the world leaders to hold an independent international investigation into this criminal case as they view the three activists "prisoners of conscience".

13. "For Freedom" Activist in Gomel Fined For White-Red-White, EU Flags and a Banner

According to media reports, "For Freedom" activist Zinaida Shumilina was fined August 18 by the Administrative Commission of Sovetsky district in Gomel the equivalent of \$62 for attaching Belarus' historic white-red-white and EU flags, as well as a "Hunger Protest" banner to her private house in Gomel. The flags and the banner were on display in June when she was showing solidarity with Vladimir Katsora and other opposition activists in Gomel who were on a hunger-strike to protest fines and a sentence imposed for an action in commemoration of the disappearance of former Interior Minister Yuri Zakharenko.

14. Case 14 Participant Ales Streltsov Seeking Amnesty

According to media reports, Case 14 participant Ales Streltsov, who was not granted amnesty under the law passed on May 5, 2009, was sentenced to correctional labor in June 2009 as a softer substitute for his house arrest, to which he was sentenced in April 2008. Seeking to be included in the amnesty, he appealed the mitigation of his original sentence to the Minsk City Court but was denied in July 2009. Post contacted Mr. Streltsov on August 20 to check on the status of his case. He clarified that he forwarded an appeal to the Supreme Court on August 13.

15. "For Freedom" Coordinator Fined \$493 for Watching a Flash Mob

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in Central Brest

Belapan carries a report of "For Freedom" Coordinator Denis Turchenyak being fined \$493 on August 17. Denis saw Malady Front activist Mikhail Ilyin being arrested by plain-clothed officers as the two activists were watching a flash mob staged by democratic youth in central Brest. Denis followed the officers and Mikhail, was arrested too and was later charged with defying police requirements. He was released later during the day, while Mikhail spent the night in the police office and will be tried on August 25.

16. Malady Front Activists Fined for Anti-Corruption Protest

According to media reports, the court in the city of Baranovichi fined Malady Front activists Pyotr Ruzov (\$86), Yuri Bogdanovich (\$61), Semyon Bylinsky and Artyom Lastovetsky (\$49 each) for an anti-corruption picket in front of the city government building. They applied for formal permission to picket the building well in advance but were not allowed to protest near the government building. The young people spent the night in a temporary detention center before the trial on the next day.

17. BPF Activists Dismissed or Fined over Celebration of Banned Independence Day

According to the press service of the Party of the Belarusian Popular Front (BPF), activist of the "BPF Youth" group, Sergei Zvyozdochkin, was dismissed from work and the leader of the group, Aleksandr Kuznetsov, is facing a threat of dismissal over their participation July 27 in an informal celebration in the city of Gorodok (Vitebsk region) of Independence Day, which was banned following Lukashenka's controversial 1996 referendum. The two youth and the head of the Party office in Gorodok, Leonid Avtukhov, came to the central square of the city with Belarus' historic white-red-white flags and were chanting "Long live Belarus." The city court found Mr. Avtukhov guilty of

organizing the unauthorized celebration and fined him \$491.

18. First Cases Tests Positive for H1N1 Flu Virus in Belarus

According to information aired by the Health Ministry press service on August 19, the first positive case of H1N1 Flu Virus, a citizen of China, was accounted for in Belarus on the same day. Interestingly, a few hours earlier Deputy Health Minister Valentina Kachan told reporters that no other people have tested positive for the virus in the country so far. The citizen of China came to Belarus on August 10, started feeling bad two days later and tested positive on August 19. Meanwhile, Russia's Chief Medical Sanitation Officer Gennadiy Onishchenko opined on August 13 that Belarus must have instances of swine flu because the country is located in the center of Europe.

Additionally, three Belarusian children, who have returned from a respite program in Great Britain, tested positive for the H1N1 flu virus. They have received adequate treatment in their native city of Osipovichi (Mogilev region) and their condition is satisfactory. Belarus Health Ministry issued an order requiring that all Belarusian children (more than 13 thousand) returning in August from their respite programs in the UK, Italy, Ireland, Spain, Germany, Belgium and Austria will be quarantined for one week. The Head of the Health Ministry Hygiene, Epidemiology and Sickness Prevention Department, Yuri Fyodorov, told a news service that Belarus possesses all necessary medicines for virus treatment and the sick children were hospitalized not because their health condition was serious, but to comply with WHO recommendations and to avoid spreading the virus.

Domestic Economy

19. IMF Mission Comes to Minsk for SBA Review and Consultations

According to the IMF Resident Representative in Belarus, Nataliya Kolyadina, the IMF mission led by the IMF Mission Chief to Belarus, Chris Jarvis, came to Minsk on August 18 and will stay until September 2 to conduct the second review of Belarus' compliance with the IMF's \$3.52 billion Stand-By Arrangement (SBA.) The GOB is seeking to receive two more tranches under the SBA totaling \$1.35 billion before the end of the year. In addition, the mission will hold consultations with the GOB, the National Bank and the Presidential Administration on Belarus' economic development over the last year and its prospects in the years to come. The Director of the IMF's European Department, Marek Belka, is expected to join the mission for his August 24-26 meetings with Belarus' senior officials.

10. Belarusian-Venezuelan Oil Extracting JV Given Three More Oil Fields in Venezuela

According to media reports, members of the Belarusian-Venezuelan high-level commission co-chaired by Lukashenka's aide Viktor

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Sheiman and Venezuela's Vice President Ramon Karrisales have agreed at their meeting in Minsk August 17 that the Belarusian-Venezuelan oil extracting JV will be given three more oil fields in Venezuela. Thus, the JV is expected to double its oil extraction in Venezuela next year bringing it to one million barrels. The Commission members have also agreed on a joint development of natural gas fields and cooperation in metallurgy. According to Viktor Sheiman, cooperation plans also include establishing Belarusian wheel tractor and truck assemblies in Venezuela, as well as "hundreds of millions of USD" Venezuelan investments in Belarus.

11. World Bank to Issue Loan for the Construction of Waste Recycling Factory in Grodno

Prime-TASS news agency quotes the Head of the Municipal Services Department of the Grodno city government Nikolai Rusakevich as saying during public hearings in Grodno on August 19 that the

World Bank will issue \$41 million loan for the construction of the first part of the solid household waste recycling factory outside the city of Grodno. The loan, which will be paid for from the local and central budgets, is expected to help reduce the number of waste landfills in Grodno region. Ultimately, the factory, when the second part is commissioned, will produce biogas, which will be burned to produce electricity. However, the second part of the factory is not ready yet.

12. Lukashenka Amends His Edict on Ecological Tax

According to the presidential press service, Lukashenka signed decree 421 on August 14 to amend his own decree signed in May 2007 on ecological tax. The amendments include an exemption from the ecological tax for businesses whose non-hazardous waste during the year does not exceed 50 tons. In addition, the tax will not be levied on products destroyed over the loss of their consumer qualities as well as the waste generated in the production of liquor, beer and soft drinks. The tax will start to be levied on products that contain 50 and more percent of volatile substances. The press service noted that the edict is a part of a consistent plan implemented by the GOB to liberalize the economy.

13. Through-July Production of Mineral Fertilizers Down 51.7 Percent

According to data posted by the National Statistics Committee on August 15, production of mineral fertilizers plummeted on the year through July by 51.7 percent. The fall in the production of Belarus' major export item, potassium fertilizers, was the deepest at 58.9 percent. Production of nitrogen and phosphate fertilizers were down 5.6 percent and up 7.2 percent respectively.

14. Belarus Posts 8.8 Percent On-The-Year Increase in Agricultural Produce

A source in the National Statistic Committee told Prime-TASS news agency on August 17 that the country's through-July agricultural production increased on the year by 8.8 percent and totaled the equivalent of \$4.2 billion.

Quote of the Week

15. During his working visit to Vitebsk region on August 20 Lukashenka commented on his policy towards the EU:

"The agenda is there. I do not want to list positive things that we started to have with the EU, something that we have already done. I thanked them more than once for the support provided to us by the IMF and certain countries. I just want to say about one problem, shall I say, warn Europeans: if they believe that they will keep making conditions counting that Lukashenka has no way out (that's what Russia thought some time ago) as his relations with Russia are bad~ We have good relations with Russia. We have excellent relations with Russia. I am just making a reservation: we have problems in our mutual relations. That is true. But someone who does nothing has no problems. Because we do something, we do have unresolved issues. If someone in the West believes that our relations with Russia got spoiled and Lukashenka can be forced to release all criminals from prisons and change the law tomorrow, they are all wrong."

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